



General Assembly

February Session, 2012

Raised Bill No. 5543

LCO No. 2446

02446_____ET_

Referred to Committee on Energy and Technology

Introduced by:
(ET)

***AN ACT CONCERNING THE CREATION AND EXPANSION OF
MUNICIPAL UTILITIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (3) of subsection (c) of section 7-148 of the
2 2012 supplement to the general statutes is repealed and the following
3 is substituted in lieu thereof (*Effective July 1, 2012*):

4 (3) (A) Take or acquire by gift, purchase, grant, including any grant
5 from the United States or the state, bequest or devise and hold,
6 condemn, lease, sell, manage, transfer, release and convey such real
7 and personal property or interest therein, including any electric
8 distribution facility, absolutely or in trust as the purposes of the
9 municipality or any public use or purpose, including that of education,
10 art, ornament, health, charity or amusement, cemeteries, parks or
11 gardens, [or] the erection or maintenance of statues, monuments,
12 buildings or other structures, or the provision of electric power by a
13 municipal electric utility established pursuant to chapter 101 or by any
14 special act, require. Any lease of real or personal property or any
15 interest therein, either as lessee or lessor, may be for such term or any
16 extensions thereof and upon such other terms and conditions as have

17 been approved by the municipality, including without limitation the
18 power to bind itself to appropriate funds as necessary to meet rent and
19 other obligations as provided in any such lease;

20 (B) Provide for the proper administration of gifts, grants, bequests
21 and devises and meet such terms or conditions as are prescribed by the
22 grantor or donor and accepted by the municipality;

23 Sec. 2. (NEW) (*Effective July 1, 2012*) (a) As used in this section:

24 (1) "Municipal electric utility" means any municipal electric utility
25 established pursuant to chapter 101 of the general statutes or by special
26 act, that provides electric generation or distribution services to any end
27 use customer; and

28 (2) "Service area" means the geographic area in which a municipal
29 electric utility is authorized to provide electric generation or
30 distribution services to any end use customer pursuant to chapter 101
31 of the general statutes or by special act.

32 (b) Any municipality may expand the service area of its municipal
33 electric utility to include any adjacent municipality, provided such
34 expansion is approved by (1) two-thirds vote of the legislative body of
35 each such municipality, (2) the chief executive or chief elected official,
36 as applicable, of each such municipality, and (3) a majority of the
37 electors of each such municipality by a referendum, held in accordance
38 with the provisions of chapter 152 of the general statutes, at which not
39 less than fifteen per cent of the electors of each such municipality have
40 voted. After such approval, such municipal electric utility may
41 purchase, condemn or otherwise acquire any electric distribution
42 facilities in such adjacent municipality necessary to provide electric
43 distribution service.

44 (c) No municipal electric utility that expands its service area to
45 include any adjacent municipality pursuant to this section shall be
46 considered a participating municipal electric utility, as defined in

47 section 16-1 of the general statutes.

48 (d) Any customer of an electric supplier, as defined in section 16-1
 49 of the general statutes, who resides within any municipality in which
 50 the service area of a municipal electric utility has been expanded
 51 pursuant to this section shall remain a customer of such electric
 52 supplier for the duration of any contract between such customer and
 53 electric supplier existing at the time of such expansion. After such
 54 contract expires, such customer shall become a customer of such
 55 municipal electric utility.

56 Sec. 3. Subsection (e) of section 16-245c of the general statutes is
 57 repealed and the following is substituted in lieu thereof (*Effective July*
 58 *1, 2012*):

59 (e) Any municipal electric utility created on or after July 1, 1998,
 60 pursuant to section 7-214 or a special act and any municipal electric
 61 utility that [expands its] provides electric generation or distribution
 62 service to any end use customer outside its service area on or after July
 63 1, 1998, shall collect from its new customers the competitive transition
 64 assessment imposed pursuant to section 16-245g, the systems benefits
 65 charge imposed pursuant to section 16-245l and the assessments
 66 charged under sections 16-245m and 16-245n in such manner and at
 67 such rate as the authority prescribes, provided the authority shall
 68 order the collection of said assessment and said charge in a manner
 69 and rate equal to that to which the customers would have been subject
 70 had the municipal electric utility not (1) been created, or [expanded] (2)
 71 provided electric generation or distribution service to such end use
 72 customers outside its service area.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2012</i>	7-148(c)(3)
Sec. 2	<i>July 1, 2012</i>	New section
Sec. 3	<i>July 1, 2012</i>	16-245c(e)

Statement of Purpose:

To clarify the eminent domain power of a municipality concerning electric distribution facilities and the process for expanding a municipal electric utility's service area into a neighboring town.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]